



**ACTIVITY FUNDS OF THE  
SCHOOL BOARD OF THE CITY OF NORFOLK, VIRGINIA**

Statement of Cash Receipts, Disbursements, and Balances

Year ended June 30, 2014

(With Independent Auditors' Report Thereon)

**ACTIVITY FUNDS OF THE  
SCHOOL BOARD OF THE CITY OF NORFOLK, VIRGINIA**

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**KPMG LLP**  
Suite 1900  
440 Monticello Avenue  
Norfolk, VA 23510

## **Independent Auditors' Report**

The Members  
School Board of the City of Norfolk, Virginia:

### **Report on the Financial Statement**

We have audited the accompanying statement of cash receipts, disbursements, and balances of the Activity Funds of the School Board of the City of Norfolk, Virginia (the Activity Funds) for the year ended June 30, 2014, and the related notes to the financial statement.

### **Management's Responsibility for the Financial Statement**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in note 1(b); this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts, disbursements, and balances of the Activity Funds of the School Board of the City of Norfolk, Virginia for the year ended June 30, 2014, in accordance with the cash basis of accounting described in note 1(b).



***Basis of Accounting***

We draw attention to note 1(b) to the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

**KPMG LLP**

Norfolk, Virginia  
January 20, 2015

**ACTIVITY FUNDS OF THE  
SCHOOL BOARD OF THE CITY OF NORFOLK, VIRGINIA**

Statement of Cash Receipts, Disbursements, and Balances

Year ended June 30, 2014

School	Cash balance, June 30, 2013	Receipts	Disbursements	Cash balance, June 30, 2014
Elementary schools:				
Bay View	\$ 34,067	24,552	28,734	29,885
Richard Bowling	39,492	98,937	114,073	24,356
Calcott	28,782	31,889	37,449	23,222
Camp Allen	16,019	29,670	35,569	10,120
Campostella	19,700	7,320	22,099	4,921
Chesterfield Academy	3,588	27,999	30,567	1,020
Coleman Place	16,011	12,458	18,836	9,633
Crossroads	14,593	26,869	30,612	10,850
Fairlawn	19,736	15,561	16,566	18,731
Ghent	10,581	33,679	39,005	5,255
Granby	34,151	28,310	30,529	31,932
Ingleside	19,952	33,807	33,458	20,301
Jacox	47,647	75,530	57,228	65,949
Larchmont	56,619	50,870	62,564	44,925
Larrymore	7,079	26,949	27,556	6,472
Lindenwood	6,194	3,019	6,870	2,343
Little Creek	65,731	31,081	30,648	66,164
James Monroe	7,778	8,940	10,125	6,593
Norview	5,244	17,914	17,122	6,036
Ocean air	9,769	17,777	15,709	11,837
Ocean View	18,671	17,556	27,194	9,033
Poplar Halls	14,981	13,521	18,240	10,262
St. Helena	7,434	7,906	8,895	6,445
Sewells Point	24,328	14,257	18,742	19,843
Sherwood Forest	7,535	25,366	24,970	7,931
Suburban Park	21,028	11,404	12,986	19,446
Tanners Creek	10,407	15,698	13,869	12,236
Tarralton	3,607	11,687	14,995	299
W.H. Taylor	12,629	21,856	23,195	11,290
Tidewater Park	526	9,675	9,404	797
Willard	23,333	27,146	34,593	15,886
Willoughby	24,035	8,968	10,738	22,265
P.B. Young, Sr.	1,471	34,387	27,768	8,090
Total elementary schools	632,718	822,558	910,908	544,368

(Continued)

**ACTIVITY FUNDS OF THE  
SCHOOL BOARD OF THE CITY OF NORFOLK, VIRGINIA**

Statement of Cash Receipts, Disbursements, and Balances

Year ended June 30, 2014

School	Cash balance, June 30, 2013	Receipts	Disbursements	Cash balance, June 30, 2014
<b>Middle schools:</b>				
Azalea Gardens	\$ 49,295	57,367	68,016	38,646
Blair	90,358	105,758	118,201	77,915
Lafayette-Winona	13,901	37,378	42,434	8,845
Lake Taylor	19,235	35,540	38,981	15,794
Northside	75,341	104,634	108,779	71,196
Norview	21,864	55,471	68,114	9,221
Ruffner	47,529	66,092	70,845	42,776
The Academy of International Studies at Rosemont	31,029	98,316	102,912	26,433
<b>Total middle schools</b>	<b>348,552</b>	<b>560,556</b>	<b>618,282</b>	<b>290,826</b>
<b>High schools:</b>				
Granby	193,492	449,748	471,390	171,850
Lake Taylor	86,551	339,490	331,694	94,347
Maury	197,016	392,760	377,273	212,503
Norview	184,312	413,581	505,230	92,663
Booker T. Washington	126,846	255,318	276,940	105,224
<b>Total high schools</b>	<b>788,217</b>	<b>1,850,897</b>	<b>1,962,527</b>	<b>676,587</b>
<b>Auxiliary education facilities:</b>				
Berkley/Campostella Early Childhood Center	4,812	5,717	7,474	3,055
Easton Preschool	11,868	5,304	6,091	11,081
Granby High Evening School	70,492	20,940	10,384	81,048
Madison Alternative Center	2,869	2,436	3,520	1,785
Norfolk Technical Center	347,909	470,108	433,065	384,952
<b>Total auxiliary education facilities</b>	<b>437,950</b>	<b>504,505</b>	<b>460,534</b>	<b>481,921</b>
<b>Total all schools</b>	<b>\$ 2,207,437</b>	<b>3,738,516</b>	<b>3,952,251</b>	<b>1,993,702</b>

See accompanying notes to statement of cash receipts, disbursements, and balances.

**ACTIVITY FUNDS OF THE  
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Notes to Statement of Cash Receipts, Disbursements, and Balances

Year ended June 30, 2014

**(1) Summary of Significant Accounting Policies**

The Activity Funds of the School Board of the City of Norfolk, Virginia (the Activity Funds) are an agency fund of the School Board of the City of Norfolk, Virginia, which is a component unit of the City of Norfolk, Virginia. A summary of the significant accounting policies is as follows:

**(a) Basis of Presentation – Fund Accounting**

The accounts of each school are organized on the basis of funds, each of which is considered a separate accounting entity. No schools were opened or closed during the year ended June 30, 2014.

**(b) Basis of Accounting**

The accompanying statement of cash receipts, disbursements, and balances of the Activity Funds has been prepared on the cash basis of accounting, whereby cash receipts are recorded when received and cash disbursements are recorded when paid. Consequently, the statement of cash receipts, disbursements, and balances is not intended to present the financial position or the results of operations of the Activity Funds in conformity with U.S. generally accepted accounting principles.

**(2) Cash**

Cash consists primarily of interest-bearing checking accounts. The bank balance may differ from the carrying value because of reconciling items such as outstanding checks and deposits in transit. The entire bank balance was covered by federal depository insurance or collateralized in accordance with provisions of the Virginia Security for Public Deposits Act (the Act). The Act requires financial institutions holding public deposits in excess of amounts covered by federal insurance to pledge collateral to a multiple financial institution collateral pool in the name of the State Treasury Board. Banks must pledge collateral in the amount of 50% of excess deposits, while savings and loans are required to collateralize 100% of excess deposits. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loans. Accordingly, all deposits in banks are considered to be insured.

**(3) Related-Party Transactions**

During the year ended June 30, 2014, the Activity Funds made payments of approximately \$792,231 to the School Board of the City of Norfolk, Virginia, for various goods and services, a significant portion of which relates to the use of school buses for field trips and athletic events. Also included are certain goods and services used by the Activity Funds, such as supplies and services for athletic teams and events, which are purchased through the central purchasing function of the School Board of the City of Norfolk, Virginia, and reimbursed by the Activity Funds through specific accounts on a monthly basis.